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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/837,279	04/19/2001	David Cincotta	2435.1 Div.I	7887

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EXAMINER	
CHENCINSKI, SIEGFRIED E	
ART UNIT	PAPER NUMBER
3628	

DATE MAILED: 06/19/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/837,279	CINCOTTA, DAVID	
	Examiner	Art Unit	
	Siegfried E. Chencinski	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *19 April 2001*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *6-24* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *6-24* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date *4/19/01*.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Double Patenting

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

1. **Claims 6 and 24 are provisionally rejected** on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1, 3, 5 and 24 of copending Application No. 09/245,493. Although the conflicting claims are not identical, they are not patentably distinct from each other because the only difference is that claim 6 and 24 are directed to a specific type of service which is obvious over claims 1, 3, 5 and 24 of Application No. 09/245,493, which claim a plurality of types of services. Providing pre-paid types of service as claimed in the instant application is one type of such a plurality of services.

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2. Claims 6-8 and 15-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barb Albert (DePauw offers "pay now, study later" plan, Indianapolis Star/News, April 17, 1998, hereafter Albert) in view of Shannon Loane (Paying for College: Prepaid Tuition and College Savings Plans, by Shannon Loane, 2003, ERIC Clearinghouse on Higher Education, ED482557; hereafter Shannon), The Heritage Foundation (www.heritage.org, Executive Memorandum # 507, February 4, 1998, hereafter Heritage), Diana F. Cantor, Executive Director of the Virginia Savings Plan and Chair of the College Savings Plans Network (CSPN) (Testimony before the House Committee on Financial Services, Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, June 2, 2004, hereafter Cantor) and the Virginia College Savings Plan's Virginia Prepaid Education Program 2006-2007 Benefit Guide (www.Virginia529.com, hereafter Virginia).

Re. Claim 6, Albert discloses a method to be administered by an administrating entity, for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions, the method comprising the steps of:

- executing contracts between the administrating entity and each of the plurality of participants in which a contracting participant pays to the administrating entity a cash amount and in return receives from the administrating entity a promise to deliver at a future date a specified measure of educational services, the educational services to be provided by whichever of the plurality of specified educational institutions the contracting participant selects (p. 1, l. 28 - the administrative entity is the consortium called Tuition Plan, Inc., p. 1, ll. 5-7 - the

contracting participant is the party which enters into the contact with the entity and makes the payments or arranges that the contractual payments are made. P. 2, ll. 1-4, 16-18 - Albert suggests that the participant may select a specific member institution of the consortium.);

- determining, for each of the plurality of specified educational institutions, a predicted total measure of educational services that will be required from that educational institution by the aggregate of the plurality of participants (p. 2, ll. 2-4 – Albert discloses a guaranteed percentage of future tuition); and
- executing contracts between the administrating entity and each of the plurality of specified educational institutions in which the administrating entity pays to a contracting educational institution a cash amount and in return receives from the contracting educational institution a promise to deliver a specified measure of educational services, the cash amounts that correspond to the measures of educational services being set by the educational institution (p. 2, ll. 16-18 – the cash amount will go to the institution from the administrative entity, along with the accrued interest earned. P. 1, LL. 28-31 – Albert implies or suggests that there is a contract between the entity and each participating educational institution.).

However, Shannon discloses that the first prepaid tuition plan was introduced in Michigan in the late 1980's (p. 1, ll. 31-33). Heritage disclosed on February 4, 1998 that several states had already established prepaid savings plans for parents to fund higher education (p. 2, ll. 21-22). Heritage adds that "20 private schools located throughout the country .... (had) begun to investigate the possibility of establishing a similar plan for private schools" (22-25). This suggests the consortium which announced its formation in April, 1998 (above). Heritage also discloses that two bills were being considered in Congress (HR 2847 and S 1116) to provide tax relief to parents participating in prepaid plans for higher education for their children (p. 2, ll. 31-35). Cantor disclosed in her testimony before Congress that the Virginia's Prepaid Tuition Plan has a date of inception of 1996 (Exhibit A, p. 2, Virginia Prepaid). Finally, Virginia discloses or suggests that their prepaid plan to pre-fund higher education has been in existence since September 1, 1996 (p. 6, rate history, line 6), and that the plan includes in state

publicly and privately owned schools and also "out-of-state public or private college or university" (p. 5, l. 21-25). Therefore, it would have been obvious to the ordinary practitioner of the art at the time of Applicant's invention to have combined the disclosures of Albert with those of Shannon, Cantor, Heritage and Virginia in order to offer plans for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions, motivated by a desire to offer plans to avoid the higher tuition rates looming in the future and to allow students much more flexibility and choice when it comes time for them to come to school (Albert. p. 1, ll. 7, 13-15; p. 2, ll. 11-14).

Re. Claim 7, Albert discloses or suggests that participants designate beneficiaries to whom the educational services will be provided (p. 1. ll. 5-6, 24-26, 32-33; p. 2, ll. 1-6, 11-14, 16-18.).

Re. Claim 8, Albert discloses or suggests that a beneficiary is designated by a participant at the time a contract between that participant and the administrating entity is executed (p. 1. ll. 5-6, 24-26, 32-33; p. 2, ll. 1-6, 11-14, 16-18.).

Re. Claim 15, neither Albert, Shannon, Cantor, Heritage or Virginia explicitly disclose a determination process for each of the plurality of specified educational institutions which comprises:

- examining an educational institution data record;
- examining a participant data record for each of the plurality of participants;
- comparing the educational institution data record with each participant data record to determine a predicted total measure of education that each participant will require from the particular educational institution; and
- summing the predicted total measure of education that each participant will require from the particular educational institution to determine for each of the plurality of specified educational institutions a predicted total measure of educational services that will be required from that educational institution by the aggregate of the plurality of participants.

However, the ordinary practitioner of the art at the time of Applicant's invention would have known and seen it as obvious that a determination process for each of the plurality of specified educational institutions comprises the above steps of examining, comparing and summing because these steps were all well known at that time.

- Various entities were well known to examine educational institution data records. Examples of such examining entities were accreditation organizations, prospective students and their parents, financial organizations, institutions considering the making of grants and loans to institutions of higher education, and prospective donors such as alumni and others.
- It would have been obvious for both the administrative entity and the participating educational institutions to examine participant data records for each of the plurality of participants to verify that participants met certain conditions established by each such entity and institution. Examples of such data might, among other things, have been: identification data, requested kind and amount of prepaid education, reasons for the desire to pre pay, financial criteria of eligibility, student academic data once a student was old enough to have established such a record and geographic location.
- Educational institutions would obviously have wanted to compare their own capabilities and program plans against participant requests, their own goals for various criteria such as geographic student profile, financial aid profile of their future student population, identifying alumni who are applying to participate, admission standards versus participant information, among other things.
- Most obvious to the practitioner would have been the desire to sum the data accumulated in order to determine for each of the plurality of specified educational institutions a predicted total measure of educational services

that will be required from that educational institution by the aggregate of the plurality of participants. The motivation for this would have been the need of prudency to make sure that the demand is fully understood over the projected time frame to make a sure as possible that all parties will be well served and that contracts can be fulfilled for each party involved.

Therefore, it would have been obvious to the ordinary practitioner of the art at the time of Applicant's invention to have combined the disclosures of Albert with those of Shannon, Cantor, Heritage and Virginia in order to offer plans for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions in such a manner that the future delivery of contracted services can be satisfactorily fulfilled for all the parties involved, motivated by a desire to offer plans to avoid the higher tuition rates looming in the future and to allow students much more flexibility and choice when it comes time for them to come to school (Albert. p. 1, ll. 7, 13-15; p. 2, ll. 11-14).

Re. Claims 16-23, neither Albert, Shannon, Cantor, Heritage or Virginia explicitly disclose:

- **Re. Claim 16,** educational institution data records which include statistical information describing the historical makeup of the particular educational institution's student body. However, it was well known at the time of Applicant's invention that educational institutions provide data records include statistical information describing the historical makeup of the particular educational institution's student body to prospective student candidates, their parents, and to the general public.
- **Re. Claim 17,** statistical information which includes information describing academic performance prior to admission. However, it was well known at the time of Applicant's invention that educational institutions provide data records which included statistical information such as the group data of GPA distributions and/or College Board examination score distributions of prior entering classes.

- **Re. Claim 18,** statistical information which includes information describing scholastic aptitude test scores. However, it was well known at the time of Applicant's invention that educational institutions provide data records which included statistical information such as the group data or statistical distribution of high school GPA's and/or College Board examination scores of prior entering classes, of this year's applicants for admission or for this year's entering class.
- **Re. Claims 19,** statistical information which includes information describing geographic origin of students. However, it is implicit that the data records contain information describing geographic origin of students since such data would be included in the application information of participants and the students on whose behalf the yare acting. Further, it is well known that many colleges and universities have for many years prior to Applicant's invention published or publicized information describing geographic origin of students for the purpose of attracting students from various states places and to promote the idea that a school has a diversified student body, something which is valued by many students and their parents. For example, Columbia University of New York has for many years publicized its long held policy of admitting approximately fifteen percent of its students from foreign countries. Such practices have more often involved the publicizing of data regarding the origins of students from the various states of the United States of America.
- **Re. Claim 20,** participant data records which include data describing the compounding beneficiaries geographic locale. For the same reasons as regards the rejection of claim 19, an ordinary practitioner of the art would have found it obvious to tabulate and promote data describing the compounding beneficiaries geographic locale.
- **Re. Claim 21,** participant data records which include data describing the compounding beneficiaries academic performance. An ordinary practitioner would have found it obvious to maintain participant data records which describe

the compounding beneficiaries academic performance for the same reasons as stated in the rejection of claim 17, and also more fundamentally because institutions of higher learning are widely known for their evaluation of the prior academic performance and other factors related to the students which they are considering for admission or to whom they have promised admission.

- **Re. Claim 22,** participant data records which include data describing the compounding beneficiaries scholastic aptitude test scores. An ordinary practitioner would have found it obvious to maintain participant data records which describe the compounding beneficiaries scholastic aptitude test scores as those become available for the same reasons as stated in the rejection of claim 18, and also more fundamentally because institutions of higher learning are widely known for their evaluation of the prior academic performance, scholastic aptitude test scores and other factors related to the students whom they are considering for admission or to whom they have promised admission.
- **Re. Claim 23,** participant data records which include data describing the measure of educational services that has been promised by the administrating entity to the particular participant. It would have been obvious and implicit that data records would be maintained which describe the measure of educational services that has been promised by the administrating entity to the particular participant. Not doing so would create administrative chaos in a prepaid tuition program of any kind, causing the program to break down for administrative reasons and cause financial malfeasance. This is why the various prepaid tuition programs have established special entities for administering the program at the very outset of each program.

Therefore, **re. Claims 16-23,** it would have been obvious to the ordinary practitioner of the art at the time of Applicant's invention to have combined the disclosures of Albert with those of Shannon, Cantor, Heritage and Virginia in order to offer plans for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions in such a manner that the future delivery of contracted services can be satisfactorily fulfilled for all the parties

involved, motivated by a desire to offer plans to avoid the higher tuition rates looming in the future and to allow students much more flexibility and choice when it comes time for them to come to school (Albert. p. 1, ll. 7, 13-15; p. 2, ll. 11-14).

Re. Claim 24, neither Albert, Shannon, Cantor, Heritage or Virginia explicitly disclose machine-readable data storage medium encoded with a set of machine-executable instructions for carrying out, with a machine capable of executing said instructions, a data processing method for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions, the method comprising the steps of:

- executing contracts between the administrating entity and each of the plurality of participants in which a contracting participant pays to the administrating entity a cash amount and in return receives from the administrating entity a promise to deliver at a future date a specified measure of educational services, the educational services to be provided by whichever of the plurality of specified educational institutions the contracting participant selects;
- determining, for each of the plurality of specified educational institutions, a predicted total measure of educational services that will be required from that educational institution by the aggregate of the plurality of participants; and
- executing contracts between the administrating entity and each of the plurality of specified providers in which the administrating entity pays to a contracting educational institution a cash amount and in return receives from the contracting educational institution a promise to deliver a specified measure of educational services, the cash amounts that correspond to the measures of educational services being set by the educational institution.

However, please see the rejection of claim 6 regarding the methods steps comprising the executing, determining and executing limitations. Further, computer apparatus such as machine-readable data storage media encoded with a set of machine-executable

instructions for carrying out, with a machine capable of executing said instructions, a data processing method were well known and readily available in the art at the time of applicant's invention. Therefore, it would have been obvious to the ordinary practitioner of the art at the time of Applicant's invention to have combined the disclosures of Albert with those of Shannon, Cantor, Heritage and Virginia and well known and readily available computer apparatus in order to offer plans for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions, motivated by a desire to offer plans to avoid the higher tuition rates looming in the future and to allow students much more flexibility and choice when it comes time for them to come to school (Albert. p. 1, ll. 7, 13-15; p. 2, ll. 11-14).

3. **Claims 9-14 are rejected under 35 U.S.C. 103(a)** as being unpatentable over Albert, Shannon, Cantor, Heritage and Virginia as applied to claims 6 above, and further in view of Barron's Dictionary Finance and Investment Terms (hereafter Barron's). **Re. Claim 9,** neither Albert, Shannon, Heritage, Cantor or Virginia explicitly disclose that the contracts between the administrating entity and the participants comprise participant option contracts and the contracts between the educational institutions and the administrating entity comprise institution option contracts. However, Barron's discloses that options contracts were well known in the financial arts at the time of Applicant's invention (Barron's, p. 416, middle). Such contracts involve the right to buy or sell property that is granted in exchange for an agreed upon sum. If the right is not exercised after a specified period, the option expires. A participant prepayment contract with an administrative entity as framed in independent claim 6 is a financial instrument. An institution contract between an administrative entity and an educational institution is also a financial instrument. Accordingly, it would have been obvious to an ordinary practitioner of the art at the time of applicant's invention to have applied Barron's options concept to the prepayment of higher education services and related expenses, even while the future has unknown possibilities and even though the prepayment of school fees has different details than stock trading, so that the detailed conditions for

such items as not exercising the option would logically have to be treated differently. Further, Albert suggests that the contracts between the administrating entity and the participants comprise participant option contracts because she discloses that the contract is cancelable and the paid in principle funds will be refundable. Albert also discloses that the participant may lose some or all of the interest earned by the administrative entity on the prepaid principle funds (i.e. a "fee") if the participant's student decides to go to a public institution (i.e. not go to a member institution of the consortium) (p. 2, ll. 22-24). That "fee" further makes it like a stock market options contract. The ordinary practitioner would have seen that this cancellation feature gives the participant contract an additional option contract characteristic. Albert's disclosure also implies that the contracts between the educational institutions and the administrating entity are also option contracts, since it would have been obvious to an ordinary practitioner that the option contract offered to the paying participants would require a similar option between the administrative entity and the educational institutions to make the option contract with the paying participant financially viable. Therefore, it would have been obvious to the ordinary practitioner of the art at the time of Applicant's invention to have combined the disclosures of Albert, Shannon, Cantor, Heritage and Virginia with those of Barron's options contract concept in order to enable the offering of plans for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions, in part based on a two options contracts, motivated by a desire to offer plans to participants to avoid the higher tuition rates looming in the future and to allow the student beneficiaries much more flexibility and choice when it comes time for them to attend an institution of higher education (Albert, p. 1, ll. 7, 13-15; p. 2, ll. 11-14).

Re. Claim 10, neither Albert, Shannon, Cantor, Heritage or Virginia explicitly disclose that the contracts between the administrating entity and the participants comprise participant option contracts and the contracts between the educational institutions and the administrating entity comprise institution forward contracts. The option contract between the participant and the administrative entity are discussed in claim 9 above.

Barron's also discloses that forward contracts were well known in the financial arts at the time of Applicant's invention, defined as purchase or sale of a specific quantity of a commodity, government security, foreign currency, or other financial instrument at the current or spot price, with delivery and settlement at a specified future date. (Barron's, p. 2211, bottom). As stated in the rejection of claim 9, the contracts involved in the limitations of claim 6 are financial instruments involving future financial performance to be delivered at a currently contracted price. It would have been obvious for an ordinary practitioner of the art at the time of applicant's invention to seen the benefit of applying this same concept to the guaranteeing of future educational services by educational institutions, such as the guaranteeing of higher education expenses. Even though the future has unknown possibilities and the prepayment of school fees has different details than stock trading, the detailed conditions in such forward contracts would logically have to be different. Yet, the applicability of the forward contract would have been obvious to the ordinary practitioner. Further, Albert suggests that the contracts between the administrating entity and the educational institutions contain characteristics which would be well served by the use of forward contracts in order to help assure the administrative entity's ability to perform on its participant contracts (p. 2, ll. 15-21). Therefore, it would have been obvious to the ordinary practitioner of the art at the time of Applicant's invention to have combined the disclosures of Albert, Shannon, Cantor, Heritage and Virginia with those of Barron's options and forward contract concepts in order to enable the offering of plans for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions by making use of the features of options and forward contracts, motivated by a desire to offer plans to participants to avoid the higher tuition rates looming in the future and to allow the student beneficiaries much more flexibility and choice when it comes time for them to attend an institution of higher education (Albert, p. 1, ll. 7, 13-15; p. 2, ll. 11-14).

Re. Claim 11, neither Albert, Shannon, Cantor, Heritage or Virginia explicitly disclose that the contracts between the administrating entity and the participants comprise participant forward contracts and the contracts between the educational institutions and

the administrating entity comprise institution option contracts. The fundamental well known features of a forward contract for financial instruments is disclosed in the rejection of claim 10 above. The ordinary practitioner of the art at the time of Applicant's invention would have seen similar applicability of the forward contract features to the contract between the administrative entity and the participant, since the administrative entity is entering into an agreement to deliver educational benefits at a current price. The well known features of an options contract regarding a contract between the administrative entity and the educational institution are explained in the rejection of claim 9 above. Therefore, it would have been obvious to the ordinary practitioner of the art at the time of Applicant's invention to have combined the disclosures of Albert, Shannon, Cantor, Heritage and Virginia with those of Barron's forward and options contract concepts in order to enable the offering of plans for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions by making use of the features of options and forward contracts, motivated by a desire to offer plans to participants to avoid the higher tuition rates looming in the future and to allow the student beneficiaries much more flexibility and choice when it comes time for them to attend an institution of higher education (Albert, p. 1, ll. 7, 13-15; p. 2, ll. 11-14).

Re. Claim 12, neither Albert, Shannon, Cantor, Heritage or Virginia explicitly disclose that the contracts between the administrating entity and the participants comprise participant forward contracts and the contracts between the educational institutions and the administrating entity comprise institution forward contracts. The rejection rationale of claims 9-11 above presents the reasons why an ordinary practitioner of the art at the time of Applicant's invention would have seen it as obvious to make use of the features of forward contracts in an administrative entity's contracts with both prepaying participants and educational institutions involving guaranteed prepaid higher education expenses. Therefore, it would have been obvious to the ordinary practitioner of the art at the time of Applicant's invention to have combined the disclosures of Albert, Shannon, Cantor, Heritage and Virginia with those of Barron's forward contract concepts in order to enable the offering of plans for allowing a plurality of participants to

prepay for educational services to be received at a later date from one of a plurality of specified educational institutions by making use of the features of forward contracts, motivated by a desire to offer plans to participants to avoid the higher tuition rates looming in the future and to allow the student beneficiaries much more flexibility and choice when it comes time for them to attend an institution of higher education (Albert, p. 1, ll. 7, 13-15; p. 2, ll. 11-14).

Re. Claims 13 & 14, neither Albert, Shannon, Cantor, Heritage or Virginia explicitly disclose that the participant option contracts are deep-in-the-money option contracts. However, the expression "deep-in-the-money" was well known in the financial art at the time of Applicant's invention. Being "deep-in-the-money" means having an exercise price which is well below the market (Barron's, pp. 139 bottom –140 top). An ordinary practitioner of the art at the time of Applicant's invention would have known the applicability of this concept in the contract scenarios involving a participant contract being a deep-in-the-money option contract because the participant's exercise price is expected to be well below the future market price due to a steady history of significant inflation in the prices of higher education services. Therefore, it would have been obvious to the ordinary practitioner of the art at the time of Applicant's invention to have combined the disclosures of Albert, Shannon, Cantor, Heritage and Virginia with those of Barron's disclosure of the concept of being "deep-in-the-money" in the process of enabling the offering of plans for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions, motivated by a desire to offer plans to participants to avoid the higher tuition rates looming in the future and to allow the student beneficiaries much more flexibility and choice when it comes time for them to attend an institution of higher education (Albert, p. 1, ll. 7, 13-15; p. 2, ll. 11-14).

Conclusion

4. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is

(571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Hyung S. Sough, can be reached on (571) 272-6799.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks, Washington D.C. 20231

or (571)*273-8300* [Official communications; including After Final communications labeled "Box AF"]

(571) 273-6792 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the address found on the above USPTO web site in Alexandria, VA.

SEC

June 7, 2006

FRANTZY POINVIL
PRIMARY EXAMINER
Au 3628